

*State Employee and Retiree Health and
Welfare Benefits Program
Wellness Briefing
to
Maryland Health Quality & Cost
Council*

June 13, 2014

Background

Program Cost of Chronic Conditions

- Treatment non-compliance increases costs
 - ❑ Increased usage of ER
 - ❑ Increase in large claimants
 - ❑ Increase in ESRD
 - ❑ Majority of population not obtaining age appropriate screenings for breast cancer, colorectal cancer, etc.
- Unhealthy Population FY13
 - ❑ 74,000 patients with hypertension
 - ❑ 31,000 patients with other cardiovascular diagnoses
 - ❑ 17,000 patients with diabetes
 - ❑ Program cost over \$225M for just those three conditions
 - ❑ Total cost of chronic conditions in FY13 was over \$724M

Current Measures to Contain Cost and Encourage Wellness

- 2009 – Instituted zero copay for generic prescriptions targeting certain chronic conditions
- 2010 – Expanded preventive care coverage and eliminated preventive care copays
- 2011 – Partnered with Maryland Health Care Commission on its Patient Centered Medical Home pilot
- 2012 – Participated in CareFirst Patient Centered Medical Home program

Current Measures to Contain Cost and Encourage Wellness

- Carrier provided programs
 - ☐ Discounted gym memberships
 - ☐ Discounted weight loss program
 - ☐ Online tools
 - ☐ In-person programs, events, screenings
 - ☐ Nutritional counseling
 - ☐ Disease management nurse outreach

Wellness Performance Metrics

- Currently the percentage of State-covered employees/dependents that are treatment compliant is low when compared to state, regional, and national averages.
 - ❑ Improving these metrics can help keep future costs manageable
- Diabetes Care
 - ❑ Keeping blood glucose under control
 - State-covered population overall percentage is **23.5%**
 - Averages: Maryland 64%, Regional 64% and National 62%
 - ❑ Patients who received at least 2 hemoglobin A1C tests
 - State-covered population is **29.6%**
 - NCQA norms for PPO plans are 87% and 90% for HMO

Wellness Performance Metrics

- Hyperlipidemia – LDL Cholesterol testing
 - ❑ State-covered population is at **46.0%**
 - ❑ NCQA norms are 83.5% for PPO and 88.1% for HMO
- Preventive Screenings - Breast Cancer
 - State-covered population is **22.9%**
 - Averages: Maryland 69%, Regionally 71% and Nationally 70%

Moving Forward

Goals of Value Based Benefit Design

- Improve overall population health
- Flatten trend line without cost shifting to participants
 - ❑ Promote employee wellness and personal responsibility
 - ❑ Incentivize plans to focus on quality of care provided and patient outcomes
 - ❑ Enhance participant awareness of differences in cost/quality

Plan Designs for Years 2015 – 2020

- Base plan design remains consistent
 - ❑ Preferred Provider Organization (PPO) utilizing a national network and providing both in- and out-of-network benefits;
 - ❑ Exclusive Provider Organization (EPO) utilizing a national network and providing in-network benefits only; and
 - ❑ A new integrated health model utilizing a regional network.

Plan Designs for Years 2015 – 2020

➤ Delivery System Reforms

- ☐ Integrate community health workers into the overall health management of members.
- ☐ In consultation with the State, identify high value medical services and offer recommendations for administering incentives that reward these high value services.
- ☐ Provide reporting and data to the State and its vendors to support plan management and the development of additional strategic initiatives.

Plan Designs for Years 2015 – 2020

- Other plan features designed to promote wellness
 - ❑ Affordable Access to Care
 - All lab and x-ray covered with no copay or coinsurance for all participants (in-network)
 - Copays for primary care visits waived if health risk assessment completed and discussed with physician
 - Continue waiving drug copays for generic drugs targeting certain chronic conditions

Plan Designs for Years 2015 – 2020

➤ Other plan features designed to promote wellness

☐ Education

- Weight management, nutrition education, tobacco cessation provided at no cost to participant
- Offer online resources allowing members to compare providers based on quality and efficiency
- Provide reports on provider outcomes
- Offer online tools for members for pricing basic services, tests and procedures

Phase-in Wellness Requirements 2015 – 2020

- 2015:
 - ☐ Communicate the coming health initiatives under the value based benefit design that will go into effect in 2016.
 - ☐ Health plans will collect data for administering the value based benefit design.
 - ☐ Employees & covered spouses are required to designate a primary care physician (PCP) through their health plan enrollment system and review health risk assessment with PCP.
- 2016:
 - ☐ Participants complete recommended healthy activities and participate in disease management program if appropriate (see next slide for details)
 - ☐ PCP copays waived if employee & covered spouse completed health risk assessment in 2015; surcharge if health risk assessment not completed in 2015
- 2017:
 - ☐ Employees & covered spouses who DO NOT meet the healthy activities requirements during 2016 will be subject to the penalty plan design/premium surcharge, along with their dependents.
- 2018 - 2020:
 - ☐ Next level of healthy activity requirements applies (see next slides)

Healthy Activity Requirements

Participants with a Chronic Condition & Eligible for the Disease Management Program	Participants not Eligible for the Disease Management Program
Year 2015: Health Activity Requirements – No Surcharge	Year 2015: Healthy Activity Requirements – No Surcharge
<ul style="list-style-type: none"> • Employees and covered spouses required to designate a PCP • Complete carrier health risk assessment; review with PCP. PCP sign-off confirming review 	<ul style="list-style-type: none"> • Employees and covered spouses required to designate a PCP • Complete carrier health risk assessment; review with PCP. PCP sign-off confirming review
Year 2016: Healthy Activity Requirements – Surcharge Applies	Year 2016: Healthy Activity Requirements – Surcharge Applies
<ul style="list-style-type: none"> • Actively participate in the disease management (D/M) program & follow disease management call-in & treatment guidelines of the care manager, or complete/graduate from the D/M program 	<ul style="list-style-type: none"> • Complete a Nutrition Education or Weight Management program sponsored by your health plan (i.e. online or class setting)
<ul style="list-style-type: none"> • Complete carrier health risk assessment; review with PCP. PCP sign-off confirming review 	<ul style="list-style-type: none"> • Complete carrier health risk assessment; review with PCP. PCP sign-off confirming review
<ul style="list-style-type: none"> • Complete all recommended age/gender specific biometric screenings & discuss the results with your PCP 	<ul style="list-style-type: none"> • Complete all recommended age/gender specific biometric screenings & discuss the results with your PCP
Year 2017: Healthy Activity Requirements – Surcharge Applies	Year 2017: Healthy Activity Requirements – Surcharge Applies
<ul style="list-style-type: none"> • Actively participate in the disease management (D/M) program & follow disease management call-in & treatment guidelines of the care manager, or complete/graduate from the D/M program 	<ul style="list-style-type: none"> • Complete all recommended age/gender specific biometric screenings and discuss results with your physician
<ul style="list-style-type: none"> • Complete all recommended age/gender specific biometric screening & discuss with your PCP 	<ul style="list-style-type: none"> • Complete carrier health risk assessment; review with PCP. PCP sign-off confirming review
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Healthy Activity Requirements

Participants with a Chronic Condition & Eligible for the Disease Management Program	Participants not Eligible for the Disease Management Program
Year 2018: Health Activity Requirements – Surcharge Applies	Year 2018: Healthy Activity Requirements – Surcharge Applies
<ul style="list-style-type: none"> Actively participate in the disease management (D/M) program & follow disease management call-in & treatment guidelines of the care manager, or complete/graduate from the D/M program Complete all recommended age/gender specific biometric screening & complete a physical exam showing blood pressure, and cholesterol in the normal range, & discuss with your PCP. Document testing results in your health plan's online Personal Health Assessment (PHA) Complete a Nutrition Education, Weight Management, Smoking Cessation or Stress Management program sponsored by your health plan (i.e. online or class setting) 	<ul style="list-style-type: none"> Complete carrier health risk assessment; review with PCP. PCP sign-off confirming review Complete all recommended age/gender specific biometric screening & complete a physical exam showing blood pressure, and cholesterol in the normal range, & discuss with your PCP Complete a Nutrition Education or Stress Management program sponsored by your health plan (i.e. online or class setting)
Year 2019: Healthy Activity Requirements – Surcharge Applies	Year 2019: Healthy Activity Requirements – Surcharge Applies
<ul style="list-style-type: none"> Actively participate in the disease management (D/M) program & follow disease management call-in & treatment guidelines of the care manager, or complete/graduate from the D/M program Complete all recommended age/gender specific biometric screening, maintain blood pressure and cholesterol in the normal ranges, & discuss with your PCP Complete a Nutrition Education, Weight Management, Smoking Cessation or Stress Management program sponsored by your health plan (i.e. online or class setting) 	<ul style="list-style-type: none"> Complete carrier health risk assessment; review with PCP. PCP sign-off confirming review Complete all recommended age/gender specific biometric screening & complete a physical exam showing blood pressure, and cholesterol in the normal range, & discuss with your PCP Complete a Nutrition Education or Stress Management program sponsored by your health plan (i.e. online or class setting), whichever one not selected in previous year
Year 2020: Healthy Activity Requirements – Surcharge Applies	Year 2020: Healthy Activity Requirements – Surcharge Applies
<ul style="list-style-type: none"> Actively participate in the disease management (D/M) program & follow disease management call-in & treatment guidelines of the care manager, or complete/graduate from the D/M program Complete all recommended age/gender specific biometric screening, maintain blood pressure and cholesterol in the normal ranges, & discuss with your PCP Complete the online Personal Health Assessment (PHA), including your current blood pressure, BMI, cholesterol levels and take a copy of the PHA to your physician & discuss results with your PCP 	<ul style="list-style-type: none"> Complete carrier health risk assessment; review with PCP. PCP sign-off confirming review Complete all recommended age/gender specific biometric screening & complete a physical exam showing blood pressure, and cholesterol in the normal range, & discuss with your PCP

Healthy Activity Requirements

➤ Participant penalties

- ❑ \$50 per year premium surcharge for healthy individuals who fail to complete healthy activity requirements
 - begins in 2016, increases to \$75 in 2017
- ❑ \$250 per year premium surcharge for individuals identified for disease management who fail/refuse to engage in treatment recommendations and healthy activity requirements
 - begins in 2016, increases to \$375 in 2017

Health Plan Performance Measures

- Increasing the percentage of eligible members who receive preventive care, including cancer screenings.
- Increase treatment compliance by participants with diabetes, hypertension, and hyperlipidemia.
- Increase number of participants with diabetes, hypertension, and hyperlipidemia with key numbers in the normal range (i.e. blood pressure, HbA1c, etc.)
- Reducing hospital readmission rates within 30 days of discharge.
- Reducing emergency room visits by participants with asthma, COPD, and diabetes.

Financial Impact on Plan

- Savings from Value Based Design Features
 - ❑ New plan design will have no material impact on plan costs in initial years
 - Consultant projects \$0.3 M savings initially
 - ❑ Savings = cost avoidance through trend flattening as population health improves
- Key is avoidance of dramatic benefit plan cuts or overt cost shifting to participants while incentivizing healthy behavior

Questions?